





# LEGISLATIVE RESEARCH COMMISSION

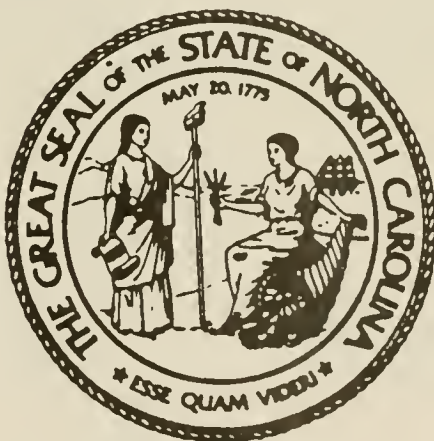
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REPORT

TO THE

1979

GENERAL ASSEMBLY OF NORTH CAROLINA



## PRIVATE COLLEGE ASSISTANCE

RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION

STATE LEGISLATIVE BUILDING

RALEIGH 27611



January 9, 1979

TO THE MEMBERS OF THE 1979 GENERAL ASSEMBLY:

The Legislative Research Commission herewith reports to the 1979 General Assembly of North Carolina on the matter of Private College Assistance. The report is made pursuant to Senate Resolution 641 of the 1977 General Assembly.

This report was prepared by the Legislative Research Commission's Committee to Study Private College Assistance and is transmitted by the Legislative Research Commission to the members of the 1979 General Assembly for their consideration.

Respectfully submitted,

  
John T. Henley

  
Carl J. Stewart, Jr.

Cochairmen  
Legislative Research Commission



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## INTRODUCTION

The Legislative Research Commission, created by Article 6B of Chapter 120 of the General Statutes, is authorized pursuant to the direction of the General Assembly "to make or cause to be made such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" and "to report to the General Assembly the results of the studies made," which reports "may be accompanied by the recommendations of the Commission and bills suggested to effectuate the recommendations." G.S. 120-30.17. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and consists of five Representatives and five Senators, who are appointed respectively by the Co-chairman. G.S. 120-30.10(a).

At the direction of the 1977 General Assembly, the Legislative Research Commission has undertaken studies of twenty-seven matters, which were arranged into ten groups according to related subject matter. (see Appendix A for a list of the Commission members.) Pursuant to G.S. 120-30.10(b) and (c), the Commission Co-Chairmen appointed committees consisting of legislators and public members to conduct the studies. Each member of the Legislative Research Commission was delegated the responsibility of overseeing one group of studies and causing the findings and recommendations of the various committees to be reported to the Commission. In addition, one Senator and one

Representative from each committee were designated Co-Chairmen.  
(See Appendix B for a list of the committee members.)

Senate Resolution 641 (see Appendix C for a copy of Senate Resolution 641) directed the Legislative Research Commission (i) to study legislative policy for providing assistance to undergraduate North Carolinians attending private colleges and universities in North Carolina; (ii) to review the effectiveness of the current aid programs for North Carolina undergraduates attending private colleges and universities as defined by G.S. 116-22; (iii) to investigate the concept of an operating principle by which appropriations will be made to assist North Carolina undergraduates attending accredited nonprofit colleges and universities; and (iv) to produce a full report on its study including recommendations for appropriate action by the 1979 General Assembly.

## COMMITTEE PROCEEDINGS

The Legislative Research Commission's Committee to Study Private College Assistance held six meetings: an organizational meeting; three meetings at which speakers appeared; and two meetings at which the Committee deliberated.

The first meeting of the Committee was held at 11:30 a.m. on November 18, 1977, in Room 1027 of the State Legislative Building. All subsequent meetings were held in Room 1027 of the State Legislative Building.

At the first meeting, the Committee decided to devote one meeting to comments from representatives of the private sector of higher education and one meeting to comments from representatives of the public sector of higher education. Subsequently, the Committee decided that an additional meeting was needed to receive comments from representatives of both sectors who were unable to appear at the first two meetings. The Committee asked all speakers to concentrate their comments on the directives set forth in Senate Resolution 641. (See Appendix D for the list of speakers). The Committee also directed the staff to prepare a memorandum concerning the current State financial assistance programs for North Carolina resident undergraduates attending in-state private institutions of higher education. (See Appendix E for a copy of the memorandum).

### A. Description of Current State Financial Assistance Programs

Testimony presented to the Committee concerning the status of the current State financial assistance programs for

North Carolina resident undergraduates attending in-state private institutions of higher education has revealed that the 1971 General Assembly established a State policy of general financial assistance to the private sector of higher education in this State.

Currently there are two operative programs specifically designed to provide State financial assistance to North Carolina undergraduates attending in-state private institutions of higher education: the first program being the State Contractual Scholarship Fund for Needy North Carolinians (Contract Program) and the second one being the North Carolina Legislative Tuition Grant Program (NCLTGP).

The Contract Program as set forth in G. S. 116-19 provides financial assistance to in-state private institutions based on the number of North Carolina resident undergraduates enrolled in them on a full-time equivalent basis. The institutions are required to (i) use the funds as grants to financially needy eligible students; (ii) be accredited by the Southern Association of Colleges and Schools; the participating institution must not be a Seminary Bible School, Bible College, or similar religious institution; and (iii) use the scholarship funds for secular purposes only. The principal finance officer of each participating institution is required to submit certificates and reports showing compliance with the statutes, regulations of the Board of Governors, and contract provisions including a certification that all funds are used for secular

purposes only. In addition, the State Auditor's Office is authorized to check records of the private institutions to insure that funds were accounted for in an appropriate manner under the regulations and the law. Funds for this program are contingent each year upon appropriations made available by the General Assembly. This program is funded at the level of \$200.00 (two hundred dollars) per eligible student for 24,000 students for academic year 1978-79.

These funds are disbursed by the Board of Governors to individual institutions under contract. Any unused funds allocated to this program are to be used for the North Carolina Legislative Tuition Grant Program.

The North Carolina Legislative Tuition Grant Program was initiated by Chapter 875, Section 30 of the 1975 Session Laws. The State Education Assistance Authority is responsible for administering the program. Funds for support of this program are contingent each year upon appropriations provided by the General Assembly. The authorized maximum award per year is subject to a reduction, if the appropriations in any given year are inadequate to support the authorized maximum award that year for all eligible students who apply. The authorized maximum award per eligible student for the 1978-79 academic year is \$400.00 (four hundred dollars).

To qualify for a North Carolina Legislative Tuition Grant Award, a student must be: (i) a legal resident of North Carolina; (ii) enrolled as a full-time undergraduate in a

qualified institution; and (iii) must apply for the grant.

Each participating institution is required to: (i) certify the enrollment of each applying student; (ii) give the students notice of the tuition reduction; and (iii) use the funds for secular purposes only. The qualified institutions are the same as those qualified for the Contract Programs. Each participating institution is subject to examination by the State Auditor's Office for purposes of determining whether or not each institution has properly certified enrollment of students and credited grants paid on behalf of students.

#### B. Enrollment Trends

Testimony presented to the Committee concerning enrollment trends of North Carolina resident undergraduates has revealed that in 1962 the private colleges enrolled approximately 22,000 North Carolina undergraduates, approximately 41 percent of the total undergraduate enrollment. By 1968 the total enrollment had increased to 24,377, but the percentage of the total enrollment had dropped. In 1975 the number of North Carolina undergraduates enrolled in private institutions dropped to 24,250, only 22 percent enrolled in the private sector.

For the past three years, however, the private sector has reported a slight increase in enrollment of North Carolina undergraduates. The percentage of North Carolina undergraduates enrolled in the private sector has stabilized at the 1975 level of 22 percent of the total North Carolina undergraduate enrollment.

Between the fall of 1971, when the first program took effect and the fall of 1977 when both current programs were in full operation, the State had spent a cumulative total of \$36,990,000 (thirty-six million nine hundred ninety thousand dollars) for these two programs.

C. Effectiveness of Current Programs

Conflicting testimony was presented to the Committee concerning the effectiveness of the current State financial assistance programs.

Some testimony tended to show that the current programs have resulted in fuller utilization of the private sector's educational resources; thereby, fulfilling the statutory charge as set forth in G.S. 116-11(1) "that the resources of these institutions (private) may be utilized in the best interest of the State". Testimony also tended to show: (i) that these programs have resulted in increased revenue for general purposes, and that they have slowed down the rate of increase in undergraduate tuition at private institutions; (ii) that the decline in enrollment of North Carolina undergraduates has been halted; and (iii) that the percentage of North Carolina undergraduates has been stabilized.

Other testimony tended to show that there is no objective factual basis for concluding that the State financial assistance programs have caused the slight increase in enrollment or prevented a decline in enrollment in the private sector.

Conflicting testimony was presented to the Committee

concerning the type of financial assistance the State should provide for its students attending private institutions of higher education.

It was generally agreed that the State should provide some financial assistance to help its students meet the rising tuition cost in public and private institutions.

Some testimony presented to the Committee advocated the premise that financial assistance to students should be the primary method for the channeling of State funds to private institutions and that programs of student assistance should be in the form of need-based tuition grants. It was also stated that a sounder program of State financial assistance to students would consider the financial needs of each benefitting student individually determined; and that a sounder program of State financial assistance to private institutions would consider the financial needs of each institution separately evaluated.

Other testimony tended to advocate the adoption of a principal whereby the financial assistance provided to a North Carolina resident undergraduate student attending a private institution would be up to one-half the average per capita cost to the State for a full-time equivalent undergraduate enrolled at The University of North Carolina. It was stated that this proposal could be implemented in at least two ways: that the desired percentage could be reached in stages, so that for the 1979-80 academic year the percentage level would be 35, raised to 40% (forty percent) for academic year 1980-81 and finally to 50%

(fifty percent) by 1982. The other approach would be to raise the North Carolina Legislative Tuition Grant Award per student attending a private institution by \$100.00 (one hundred dollars) per year until the desired percentage is reached.

#### D. Policy Alternatives

The Committee considered the following policy alternatives:

##### I. Type of State Financial Support Alternatives

1. Need-based program.
2. Non-need-based programs.
3. Combination of need-based and non-need-based programs.
4. Student aid program.
5. Institutional aid program.
6. Combination of student aid and institutional aid programs.

##### II. Form of State Financial Support Alternatives

1. Maintain the two current State financial assistance programs with any additional funds to be added to the Legislative Tuition Grant Programs.
2. Maintain the two current State financial assistance programs with any additional funds to be added to the Contract Program (need-based).
3. Eliminate the Contract Program and transfer all current funds and any additional funds to the Legislative Tuition Grant Program.
4. Eliminate the Legislative Tuition Grant Program and transfer all current funds and any additional funds to the Contract Programs.
5. Eliminate both the Legislative Tuition Grant and Contract Programs.

6. Establish new State financial assistance programs:
  - (a) Scholarship program

- (b) Degree reimbursement program

### III. Level of State Financial Support Alternatives

1. Eliminate all state financial support.
2. Freeze the current programs at the current support level.
3. Increase the State financial support provided for one or both programs by a designated amount per student each year.
4. Increase the amount provided per student each year to more closely approximate the per student subsidy at The University of North Carolina.

### IV. Method of Funding State Financial Assistance Program Alternatives

1. Continue the current practice of biennial review without establishing an operating principle or formula.
2. Establish a level of funding (in dollars) to guide the 1979 General Assembly and establish an operating principle or formula for future funding purposes.
3. Establish an operating principle or formula to become effective immediately.

## Findings

### Current Programs

The committee has found that there are two operative programs in the State specifically designed to provide State financial assistance for students attending private institutions of higher education: The State Contractual Scholarship Fund which provides funds to institutions for scholarships for financially needy full-time equivalent North Carolina resident undergraduate students; and the North Carolina Legislative Tuition Grant which provides an award for every full-time North Carolina resident undergraduate student attending a private institution of higher education.

### Effectiveness of Current Programs

A. The committee has found that the current State financial assistance programs for North Carolina undergraduates attending in-state private institutions of higher education have been effective in stabilizing enrollment.

The committee received positive evidence which has shown that since 1975 the enrollment of North Carolina undergraduates at private institutions in this State has stabilized at 22 percent (22%) of the total undergraduate enrollment. This stabilization in enrollment of North Carolina undergraduates has occurred since the current State financial assistance programs have been in full operation.

B. The committee has concluded that the current State financial assistance programs for North Carolina undergraduates attending

in-state private institutions of higher education have had positive effect on stabilizing private institutions.

The committee received evidence which tended to show that the current State financial assistance programs have had a positive effect in stabilizing the private institutions. The committee also received evidence which tended to show that the current State financial assistance programs have had no effect in stabilizing the private institutions. The committee has concluded that the current financial assistance programs have had some positive effect.

#### C. Other Considerations

The consensus of the committee with respect to other considerations was to endorse to the General Assembly the concept of student aid as opposed to institutional aid.

It was also a matter of concern to the committee that as State (financial) support increases to private institutions or to students attending them that there is a limited State regulatory role with respect to the private institutions and the programs offered by the individual institutions.

The committee has not fully considered these matters and recommends that they be addressed through the independent study commission mentioned in this report.

## Recommendations

A. The Committee has affirmed its support of G.S. 116-11(11).

The Committee has affirmed its support of G.S. 116-11(11) which sets forth the current State policy for providing State funds to private institutions of higher education. It requires private institutions to make all requests for State funding to the Board of Governors prior to presenting it to any other State agency or to the General Assembly. (See Appendix F for a copy of G.S. 116-11(11))

B. The Committee recommends that the past policy of the General Assembly be continued with respect to requests for State funding of private institutions.

The Committee has concluded that the past policy of the General Assembly should be continued with respect to request for State funding of private institutions; that being to continue the current practice of biennial review without establishing an operating formula. Generally, the Committee was opposed to the establishment of an operating formula because it was opposed to being restricted to designated figures. It also concluded that the past policy has worked satisfactorily.

C. The Committee recommends that any additional funds that may be appropriated by the 1979 General Assembly be added to the North Carolina Legislative Tuition Grant Program.

The Committee has concluded that any additional funds should be added to the Legislative Tuition Grant Program. That the goals to be achieved through providing State financial

assistance to the private sector are two-fold: assistance to North Carolina undergraduates attending private institutions and also to serve and stabilize the private institutions. The Committee has endorsed the concept of student aid as opposed to institutional aid.

D. The Committee recommends that an independent study commission be established to investigate and make recommendations with respect to an operating principle for State financial assistance programs for North Carolina undergraduates attending private institutions of higher education.

The Committee has concluded that time would not permit an in-depth consideration of the concept of establishing an operating principle for State assistance to North Carolina undergraduates attending private institutions; therefore, the committee did not make any recommendation to resolve the matter. It felt that this matter should be referred to an independent study commission and has drafted a proposal to implement this recommendation.

The independent study commission as proposed by this Committee would be composed of 14 members; seven members appointed by the Speaker of the House, five of which would be members of the House and seven members appointed by the President Pro Tempore of the Senate; five of which would be members of the Senate. The Speaker of the House would appoint one member from the Board of Governors; the President Pro Tempore of the Senate would appoint one member from the North Carolina Association of

## Independent Colleges and Universities.

The Committee would be directed to: (i) investigate the concept of an operating principle by which appropriations would be made to assist North Carolina undergraduates attending accredited nonprofit colleges and universities; (ii) explore ways in which the State's financial assistance program could reflect the principles of the Federal Basic Educational Opportunity Grant Program; and (iii) consider the continuing increase in State funds to private institutions or to students attending them in conjunction with the limited State regulatory role with respect to the private institutions and the programs offered by the individual institutions. (See Appexdix G for a copy of this proposal)

APPENDIX A  
LEGISLATIVE RESEARCH COMMISSION  
MEMBERSHIP LIST

Speaker Carl J. Stewart Co-Chairman	211 West Third Avenue Gastonia, NC 28052	(704) 864-4578
Sen. John T. Henley Co-Chairman	200 S. Main Street Hope Mills, NC 28348	(919) 424-0261
Sen Dallas L. Alford, Jr.	121 Tarboro Street Suite 212, Alford Bldg. Rocky Mount, NC 27801	(919) 442-4696
Rep. Chris S. Barker, Jr.	Post Office Box 988 New Bern, NC 28560	(919) 633-1333
Rep. A. Hartwell Campbell	1709 Wilshire Blvd. Wilson, NC 27893	(919) 237-4959
Rep. John R. Gamble, Jr.	Post Office Box 250 Lincolnton, NC 28092	(704) 735-3023
Rep. H. Parks Helms	911 Cameron Brown Bldg. Charlotte, NC 28204	(704) 375-3781
Sen. Cecil J. Hill	The Legal Building Brevard, NC 28712	(704) 884-4113
Sen. Robert B. Jordan, III	Post Office Box 98 Mt. Gilead, NC 27306	(919) 439-6121
Rep. Lura S. Tally	3100 Tallywood Drive Fayetteville, NC 28303	(919) 484-4868
Sen. Russell Walker	1004 Westmont Drive Asheboro, NC 27203	(919) 629-0474
Sen. Vernon E. White	Post Office Box 41 Winterville, NC	(919) 756-2920

Appendix B

Legislative Research Commission  
Committee to Study Private College Assistance  
Membership List

Representative Parks Helms, Chairman

Representative J. T. Pugh, Jr., Cochairman

\*Representative A. J. Howard Clement, III

Representative George W. Miller, Jr.

Representative Lura S. Tally

Senator Robert W. Wynne, Cochairman

Senator Joe H. Palmer

Senator Katherine H. Sebo

Senator Vernon White

\*Replaced Representative Henry E. Frye who resigned in November, 1977



## SESSION 1977

ADOPTED  
SIMPLE  
RESOLUTIONSENATE RESOLUTION 641  
Adopted May 18, 1977

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Sponsors

Senators Wynne; Marion, Renfrow, Royall, Garrison,

Whichard, Marvin, Webster, Jordan, Henley, Winters, Lake,\*Referred to: Rules and Operation of the Senate.

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May 6, 1977

A SENATE RESOLUTION DIRECTING THE LEGISLATIVE RESEARCH COMMISSION  
TO STUDY LEGISLATIVE POLICY FOR PROVIDING ASSISTANCE TO  
UNDERGRADUATE NORTH CAROLINIANS ATTENDING PRIVATE COLLEGES AND  
UNIVERSITIES AS DEFINED BY G.S. 116-22.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Research Commission, as  
structured by G.S. 120-30.10 et seq., is directed to study  
legislative policy for providing assistance to undergraduate  
North Carolinians attending private colleges and universities in  
North Carolina.

Sec. 2. The commission shall:

(1) review the effectiveness of the current aid  
programs for North Carolina undergraduates attending private  
colleges and universities as defined by G.S. 116-22;

(2) investigate the concept of an operating principle  
by which appropriations will be made to assist North Carolina  
undergraduates attending accredited nonprofit colleges and  
universities;

(3) produce a full report on its study, including  
recommendations for appropriate action by the 1979 General

1 Assembly.

2 Sec. 3. This resolution shall become effective upon

3 adoption.

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5 \*Additional Sponsors: Hardison, Somers, Ballenger, Sharpe, Hill,  
6 Totherow, Combs, Mathis, Alford, White, Kincaid, Raynor, Britt,  
7 Speed, Childers, Harrington, Daniels, Alexander, Soles.

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## Appendix D

### SPEAKERS

Dr. C. E. Boulware  
Barber Scotia College

Ms. Helen Caldwell, Vice Chairperson  
Faculty Assembly  
University of North Carolina System

Dr. Roy Carrol, President  
Faculty Assembly  
University of North Carolina System

Mr. L. G. Cooper, Chairperson  
N. C. Alumni Friends and Coalition

Dr. William Friday, President  
University of North Carolina

Mr. Joseph W. Grier, Jr., Vice President  
Council of Trustees  
Private Colleges and Universities

Mr. Jay Jenkins  
General Administration  
University of North Carolina

Dr. Arnold King  
General Administration  
University of North Carolina

Dr. Henry A. Landsberger, Convener  
Coordinating Committee  
UNC - System of University Professors

Mr. R. D. McMillan  
General Administration  
University of North Carolina

Dr. Mary Ellen Priestly, Convener  
Coordinating Committee  
Independent Colleges and Universities

Mr. John Sanders  
General Administration  
University of North Carolina

Honorable Terry Sanford, President  
Duke University

Dr. Cameron West, President (former)  
N. C. Association of Independent Colleges  
and Universities

## STATE FINANCIAL ASSISTANCE FOR STUDENTS ATTENDING

## PRIVATE INSTITUTIONS OF HIGHER EDUCATION

## INTRODUCTION

By Chapter 744 of the 1971 Session Laws, the General Assembly established a State policy of general financial assistance to the private sector of higher education in this state. The declared reasons for enactment of this plan were to aid needy students, to save state funds by encouraging students to attend private rather than public institutions, and to help financially burdened private institutions of higher education meet operating expenses.

The legislation was a major change in state policy. Generally, the private sector of higher education had benefitted prior to 1971 from forms of indirect aid, such as tax exemptions, various kinds of categorical student scholarships, and loan programs, but no general fund appropriations were provided for the private institutions.

North Carolina's change in policy was consistent with the national trend. An increasingly number of states were taking action to provide some form of aid to the private sector of higher education.

Prior to the enactment of any legislation specifically designed to provide financial assistance to the private sector of higher education, four major studies relating to this issue were conducted. They are as follows:

- (1) Planning for Higher Education in North Carolina, North Carolina Board of Higher Education, 1968;

- (2) The Preliminary Report of the Legislative Study Commission on Student Financial Aid, Part I, 1970;
- (3) Private Higher Education in North Carolina: Conditions and Prospects, North Carolina Board of Higher Education, 1971; and
- (4) The Report and Recommendations of the North Carolina Legislative Study Commission on Student Financial Aid, Part II, 1971.

Generally, these studies recommended that consideration be given to providing state assistance to the private sector of higher education in North Carolina and that a state administered and state supported system of student financial aid should be established and should be available to North Carolina students attending both public and private institutions of higher education. However, the plan initiated in North Carolina was recommended to the 1971 General Assembly by the Board of Higher Education in its 1971 study of Private Higher Education in North Carolina: Conditions and Prospects.

To date, the General Assembly has created three programs specifically designed to provide state financial assistance for students attending private institutions of higher education. These programs will be discussed individually as follows:

I. Enrollment Acceleration Program

The 1971 state financial assistance plan for private higher education, as did the Board of Higher Education's recommendations, had two programs. One program (as set forth in G. S. 116-20) was designed to provide a financial incentive to private institutions of higher education to increase the number of full-time equivalent North Carolina resident undergraduate students they enrolled in

the Fall of 1971 above the number they had enrolled in 1970. The program was funded for the 1972-73 academic year only. The private sector of higher education increased its enrollment by 307 students which cost the state \$450,000 or approximately \$1,465 per student. Although the provision establishing this program remains in the statute, no funds were appropriated to carry it out in 1973 or since.

Under this program, the Board of Governors of the University of North Carolina is authorized to contract with a private institution of higher education to pay a fixed sum of money for each full-time equivalent North Carolina resident student enrolled in that institution as of October 1 of the academic year exceeding the number enrolled in that institution on October 1, 1970.

To participate, an institution must be accredited by the Southern Association of Colleges and Schools and must not be a seminary Bible school, Bible college or similar religious institution. The institution is required to provide and administer these funds as scholarships for needy North Carolina resident students enrolled in that institution. The institution must certify its enrollment as of October 1 to the Board. Funds are to be paid to an institution by the Department of Administration upon the recommendation of the Board.

## II. State Contractual Scholarship Fund for Needy North Carolinians

The second program of the plan (as set forth in G.S. 116-19) is still in operation today. It provides for a program of financial assistance to private institutions of higher education in the state on the basis of the number of North **Carolina** resident undergraduate

students enrolled in them on a full-time equivalent basis. Funds for this program are contingent each year upon appropriations made available by the General Assembly. These funds are disbursed by the Board of Governors of the University of North Carolina to individual institutions under contracts. Any funds allocated for this program that are unused for that purpose during the fiscal year may be used for the North Carolina Legislative Tuition Grant Program.

The institutions are required to:

- (1) use the funds for grants to financially needy eligible students. The institution is not obligated to increase the student aid funds it makes available to North Carolina resident undergraduates by the amount allocated to it by the state. However, institutions have increased their aid from institutional sources.
- (2) be accredited by the Southern Association of Colleges and Schools and must not be a seminary Bible school, Bible college, or similar religious institution.
- (3) use the scholarship funds granted for secular purposes only (Chapter 875, Section 30 of the 1975 Session Laws, as re-enacted by Chapter 802, of the 1977 Session Laws; Section 38.2 of S.B. 16)

By Chapter 983, Section 56 of the 1975 Session Laws, (Second Session 1976 as re-enacted by Chapter 802 of the 1977 Session Laws; Section 38 of S.B. 16), each recipient institution must:

- (1) keep the fund received from the state in a separate, identifiable account, and
- (2) notify each scholarship recipient of the source of the funds and the amount of the award.

The current contracts between the Board and the private institutions of higher education specifically excludes from scholarship eligibility any student pursuing a course of study primarily designed to prepare the student for a career in a religious vocation.

The principal officer of each participating institution is required to submit certificates and reports showing compliance with the requirements of the statutes, the Board's regulations and the contract provisions, including a certification that all funds are used for secular educational purposes only. The Board has required no post-year audits of the records of the private institutions of higher education, but has required reports showing in detail the disbursement of the funds. In addition the State Auditor's Office is authorized to check, and has checked on occasion, the records of the private institutions to insure that funds were accounted for in an appropriate manner under the regulations and laws.

The amount of state financial assistance available to a private institution each year under this program, is determined by multiplying the number of full-time equivalent North Carolina resident undergraduate students in attendance on October 1 by the "fixed" sum. An institution's allocation is not affected by the number or proportion of its North Carolina students who are needy.

The initial appropriation for this program supported an allocation of \$26.59 per full-time equivalent North Carolina resident undergraduate student enrolled in a private institution of higher education in 1972-73 academic year. The 1973 General Assembly funded this program at a level of \$200 per full-time equivalent North Carolina resident undergraduate enrolled in a private institution of higher education for a total of 23,000 students or a total of \$4,600,000 for the 1973-74 academic year. The General Assembly appropriated the same amount for the 1974-75, 1975-76, and 1976-77 academic years; it increased the appropriation to \$4,700,000 for

academic year 1977-78 to provide \$200 per student for 23,500 students and to \$4,800,000 for academic year 1978-79 to provide \$200 per student for 24,000 students (See Appendix).

Under this program, students' needs are determined by the institution they attend, applying the same nationally-recognized method used to establish the financial needs of students attending the University of North Carolina. The process takes into account the greater cost of attending private institutions. The amount of the grants made to needy students is not set by the state but by the institutions they attend. A grant may range from a small sum to the full cost of attendance. The decisions on the North Carolina residency status of full-time equivalent students govern the size of the allocation to each institution and the eligibility of each student for a scholarship. Those decisions are made by the respective institutions, acting in accordance with the residency status regulations established by the Board of Governors.

### III. North Carolina Legislative Tuition Grant Program (NCLTG)

The 1975 General Assembly, by Chapter 875, Section 30 of the 1975 Session Laws, initiated the Legislative Tuition Grant Program for North Carolina. By this Chapter, the State Education Assistance Authority was directed to administer the program. Funds for support of this program are contingent each year upon appropriation made available by the General Assembly. The authorized maximum award per year is subject to a reduction if the appropriation provided by the General Assembly in any given year is inadequate to support the statutory maximum specified in that year for all eligible students who apply. The qualified institutions are the same as

those qualified to participate in the 1971 State Contract Scholarship Program and the Enrollment Acceleration Program. To participate in the program, each qualified institution must enter into a participation agreement.

To qualify for a North Carolina Legislative Tuition Grant Award, a student must:

- (1) be a legal resident of North Carolina, and
- (2) be enrolled as a full-time undergraduate in a qualified institution.

No cash is remitted to the student, but each participating student receives a credit of the award on his bill. Each participating institution is required to:

- (1) certify the eligibility of each applying student, whereupon the Authority disburses to each approved institution the authorized maximum award multiplied by the number of eligible students in that institution.
- (2) give the student notice of the tuition reduction, and
- (3) use the funds for secular purposes only.

Each institution is subject to examination by the State Auditor for the purpose of determining whether or not each institution has properly certified eligibility and enrollment of students and credited grants paid in behalf of the students.

The 1975 General Assembly appropriated \$4,200,000 for the 1975-76 academic year to provide \$200 per student for 21,000 students enrolled in private institutions of higher education and \$4,600,000 for the 1976-77 academic year for 23,000 students. The 1977 General Assembly appropriated \$6,500,000 for the 1977-78 academic year to provide \$300 per student for 21,066 students and

\$6,800,000 for the 1978-79 academic year to provide the same amount for 22,000 students (See Appendix).

North Carolina Student Incentive Grant Award (NCSIG)

By Chapter 875, Section 36 of the 1975 General Assembly, North Carolina became a participant in the Federal Program known as State Student Incentive Grants authorized by Title IV, Part A, Sub-Part 3 of the Higher Education Act of 1965.

The states are encouraged to create comprehensive programs to provide financial assistance in the form of grants for undergraduates who study at eligible public and private educational institutions by students who demonstrate "substantial financial need". Each state may define "substantial financial need" consistent with the overall intent of the Federal Act. The Federal Act requires the state to match funds on a 1:1 ratio, and encourages that the grant program be available to resident students attending as broad a range of educational institutions as is represented in the various states. The North Carolina Education Assistance Authority (created pursuant to G. S. 116-201 through G. S. 116-201.21 and by Title IV, Part A, Sub-Part 3 of the Higher Education Act of 1965, as amended) has a contractual arrangement with the College Foundation, Inc., to administer the program. The Authority, as recipient of the Federal Grant, has established a centrally administered, need-based comprehensive grant program to assist students who demonstrate "substantial financial need".

The Authority currently recognizes two major systems of need analysis, the College Scholarship Services (CSS) and the American College Testing Service (ACT) Program. The North Carolina Student

Incentive Grant's regulations restrict eligibility to those families with an "expected family contribution" of \$600 or less. During the 1976-77 academic year, "substantial financial need" was defined as that shown by students whose parents, when income and assets were considered, could contribute nothing toward the cost of education for dependent children.

The 1975 General Assembly funded this program at the level of \$500,000 for academic year 1975-76 and \$650,000 for academic year 1976-77. The 1977 General Assembly funded this program at the level of \$1,367,285 for both academic years 1977-78 and 1978-79. \$1,289,891 of the fund is to be used as matching funds and \$77,394 of the fund is to be used to cover the cost of administering the program for both the 1977-78 and the 1978-79 academic years.

Grant funds are provided to College Foundation, Inc., by the Authority from state and federal appropriations. College Foundation, Inc., awards student grants on a nondiscriminatory basis, without regard to race, sex, color, creed, age, nationality, or ethnic origin. The amount of each grant is based on the individual student's demonstrated need in relation to resources and cost of education, but may not exceed one-half of the unmet need or \$1,500.00 per academic year, whichever is less.

To participate in this program, a student must:

- (1) be a legal resident of North Carolina;
- (2) accepted for enrollment or enrolled full time, in good standing, in an undergraduate program of study in an eligible university, college, community college, technical or vocational institute;

- (3) demonstrate "substantial financial need" as determined through the need analysis system of either the American College Testing Program (ACT) or College Scholarship Services (CSS) which generally means an expected parental contribution of \$600 or less.

There are two operative programs in the state specifically designed to provide state financial assistance for students attending private institutions of higher education: The State Contractual Scholarship Fund which provides funds to institutions for scholarships for financially needy full-time equivalent North Carolina resident undergraduate students; and The North Carolina Legislative Tuition Grant which provides an award for every full-time North Carolina resident undergraduate student attending a private institution of higher education. In addition, North Carolina is a participant in the Federal-State Program known as the State Student Incentive Grant which provides grants to students attending both public and private institutions of higher education who demonstrate "substantial financial need" as defined by the program.

## ADDITIONAL RESEARCH MATERIALS

1. Agreement Concerning Payment of State Funds to North Carolina Private Educational Institutions to Provide Scholarship Awards to Needy North Carolina Students, Board of Governors of the University of North Carolina, 1976-77.
2. Long Range Planning 1977-82, The University of North Carolina Board of Governors, 1977 (Draft Report).
3. North Carolina Legislative Tuition Grant Program, Annual Report, North Carolina State Education Assistance Authority, 1976-77.
4. Regulations for North Carolina Legislative Tuition Grants, North Carolina Education Assistance, 1976 (Revised).
5. Michael Smith, et al., v. Board of Governors of the University of North Carolina et al., 429 F. Supp. 874 (1977).

STATE AID PROGRAMS FOR STUDENTS ATTENDING  
PRIVATE INSTITUTIONS OF HIGHER EDUCATION  
General Fund Appropriation

Year	Total Appropriation	Program - Allocation					N.C. Legislative Tuition Grant	Students
		Enrollment Acceleration	Students	State Contract Scholarship	Students			
1972-73	\$ 1,025,000	\$ 450,000	307	\$ 575,000	21,000			
1973-74	\$ 4,600,000			\$ 4,600,000	23,000			
1974-75	\$ 4,600,000			\$ 4,600,000	23,000			
1975-76	\$ 8,800,000			\$ 4,600,000	23,000	\$ 4,200,000		21,000
1976-77	\$ 9,200,000			\$ 4,600,000	23,000	\$ 4,600,000		23,000
1977-78	\$11,200,000			\$ 4,700,000	23,500	\$ 6,500,000		21,066
1978-79	\$11,600,000			\$ 4,800,000	24,000	\$ 6,800,000		22,000

Data obtained from Fiscal Research Division

## Appendix F

G.S. 116-11. Powers and duties generally.

- (11) The Board shall assess the contributions and needs of the private colleges and universities of the State and shall give advice and recommendations to the General Assembly to the end that the resources of these institutions may be utilized in the best interest of the State. All requests by private institutions of higher education for State assistance to the institutions or to students attending them shall be submitted first to the Board for review and recommendation before being presented to any other State agency or to the General Assembly.

## Appendix G

AN ACT TO ESTABLISH AN INDEPENDENT STUDY COMMISSION TO INVESTIGATE AND MAKE RECOMMENDATIONS WITH RESPECT TO AN OPERATING PRINCIPLE FOR STATE FINANCIAL ASSISTANCE PROGRAMS FOR NORTH CAROLINA UNDERGRADUATES ATTENDING PRIVATE INSTITUTIONS OF HIGHER EDUCATION AND TO MAKE AN APPROPRIATION THEREOF.

Whereas, Senate Resolution 641 of the 1977 General Assembly (First Session, 1977) directed the Legislative Research Commission to investigate the concept of an operating principle by which appropriations will be made to assist North Carolina undergraduate students attending accredited non-profit colleges and universities within the State of North Carolina; and

Whereas, the Legislative Research Commission established a committee to study private college assistance to carry out the directives set forth in Senate Resolution 641; and

Whereas, the Committee to Study Private College Assistance recommends that an independent study commission be established to further explore the concept on an operating principle;

The General Assembly of North Carolina enacts:

Section 1. There is established the Private College Assistance Study Commission. The commission shall be composed of 14 members. The Speaker of the House shall appoint seven members including five members of the House and one representative of the Board of Governors. The President Pro Tempore of the Senate shall appoint seven members including five members of the Senate

and one representative of the North Carolina Association of Independent Colleges and Universities. The commission shall elect its chairman from the membership.

Sec. 2. The commission shall:

(a) investigate the concept of an operating principle by which appropriations will be made to assist North Carolina undergraduate students attending accredited nonprofit colleges and universities within the State of North Carolina;

(b) explore ways in which the North Carolina program of financial assistance could reflect the principles of the Federal Basic Educational Opportunity Grant Program; and

(c) consider the continuing increase of State support to private institutions or to students attending them in conjunction with the limited State regulatory role with respect to private institutions and the programs offered by the individual institutions.

Sec. 3. The commission shall employ its staff to assist in carrying out its activities.

Sec. 4. The commission shall make a written report of its findings and recommendations to the 1981 General Assembly.

Sec. 5. Legislative members of the commission shall be reimbursed for subsistence and travel expenses at the rate set out in G.S. 120-3.1 from funds available to the commission. The members of the commission who are officers or employees of the State shall receive reimbursement for travel and subsistence expenses at the rate set out in G.S. 138-6 from funds available to the commission. The other members of the commission who are not officers or employees of the State shall receive compensation and reimbursement for travel and subsistence

expenses at the rate set out in G.S. 138-5 from funds available to the commission.

Sec. 6. There is appropriated from the General Fund the sum of twenty-five thousand dollars (\$25,000) for the 1979-81 biennium to use for the expenses of the commission.

Sec. 7. This act is effective upon ratification.



# North Carolina Association of Independent Colleges & Universities

September 27, 1978

The Board of Governors of  
The University of North Carolina  
Chapel Hill, NC 27514

Attn: William C. Friday, President

Ladies and Gentlemen:

North Carolina General Statute 116-11(11) states, in part:

All requests by private institutions of higher education for State assistance to institutions or to students attending them shall be submitted first to the Board (of Governors) for review and recommendation before being presented to any other State agency or to the General Assembly.

Pursuant to this statutory provision we are pleased to present a request on behalf, and for the support of, North Carolina residents attending private colleges and universities in North Carolina as defined by G.S. 116-22.

In September 1974, and again in November of 1976, the North Carolina Association of Independent Colleges and Universities, representing the private colleges and universities of the State (as defined by G.S. 116-22) and the students attending them, set forth three recommendations designed to fulfill the statutory requirement that the resources of the private colleges and universities be used in the best interest of the State. These recommendations called for a two-pronged approach to the current needs of North Carolinians attending independent colleges and universities, and the adoption of a principle whereby support for students in the independent sector would be established as a percentage or ratio of the per-student subsidy by the State of undergraduate students in The University System.

During the 1975 and 1977 sessions of the General Assembly, funds were appropriated at the level requested by the Association to implement the recommended two-pronged approach. Specifically, the legislature continued the program authorized by G.S. 116(19) et seq. (hereafter known as the "State Contractual Scholarship Fund [SCSF]" or "Contract Program") which provides grant assistance to needy North Carolina undergraduates. Funded at \$4.6 million in 1975-76 and 1976-77, \$4.7 M in 1977-78 and \$4.8 M in 1978-79 the Contract Program provides an average award of \$200 per North Carolina student.

Additionally, the General Assembly provided grants through the North Carolina Legislative Tuition Grant Program (NCLTG) to every full-time North Carolinian enrolled in an eligible independent college or university. These awards, averaging \$200 per full-time student in 1975-76 and 1976-77, \$300 in 1977-78, and \$400 in 1978-79, are often termed "offset grants" to signify the legislative intent of offsetting the tuition differential between the public and private sectors.

These programs have worked. Study after study has shown the effect of college cost on attendance patterns. In North Carolina, had the trends of the late 1960's continued, the number and percentage of resident undergraduates enrolled in the private sector would have been significantly lower than has been the case since this two-pronged approach has been enacted. From 1968-69 to 1975-76 the percentage of all North Carolinians enrolled in college-parallel work who attended private colleges and universities dropped from 30.3 percent to 21.7 percent. The number of undergraduate North Carolinians (HC) enrolled in the independent sector actually decreased over this period, from 24,377 to 24,189. In contrast, since the initiation of the NCLTG program in 1975, a dramatic turnaround has occurred. The downward spiral in the percentage of North Carolinians has leveled at 22 percent over the biennium, with the total number of resident undergraduates rising to 25,583, a 5.8 percent increase.

The Association, together with the Council of Trustees for Independent Higher Education which has recommended a series of legislative goals in its public policy document, Planned Diversity, believe that the current aid programs are sound and should be continued. The effects of inflation on college costs, however, require that the grants be increased to offset the higher prices which will, of necessity, be passed along to the students.

Specifically, the Association recommends that the contract program (SCSF) be funded at the same average per FTE student (i.e., \$200) and that the offset (NCLTG) grant program be increased \$100 per student each year of the biennium -- to \$500 in 1979-80 and \$600 in 1980-81.

The recommendations listed above will require the following appropriations in order to fund the programs for 1979-81:

	1979-80 <u>Appro. Req.</u>	1980-81 <u>Appro. Req.</u>
State Contractual Scholarship Fund	4.9 M	5.0 M
Legislative Tuition Grant Program	<u>11.5 M</u>	<u>14.1 M</u>
	16.4 M	19.1 M

Given the accelerating rate of inflation experienced thus far in 1978 (at annual rate over 10 percent), it is clear that these recommended increases are the very minimum that could be requested if the independent sector is to remain within the financial reach of middle income North Carolinians. The private colleges and universities are sensitive to the taxpayer's concerns that scarce tax dollars be used wisely. Expenditures for students attending independent institutions actually result in a substantial cost savings for the State, making available quality educational services at a fraction of what it would cost to provide similar services in state institutions. Were the North Carolina undergraduate students enrolled in the independent colleges and universities this fall to have enrolled in the public university system, the cost to the taxpayer would have been over \$60 million, rather than the under \$15 million appropriated for students attending the private institutions.

Equally important, it is again recommended as a permanent solution that the principle of providing aid to undergraduate students up to one half of the average per capita cost to the State for each FTE undergraduate enrolled at The University of North Carolina be established as the policy of the State.

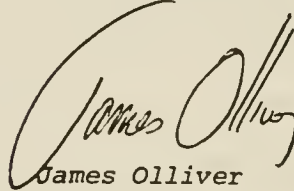
The Association asked the Board of Governors for its endorsement of this policy in 1974 and again in 1976. We believe that it is now time for a rational, ongoing policy of support for independent college students based on a standard or operating principle. State aid to resident undergraduates attending private colleges and universities is established public policy. Both Governor Hunt and the Council of Trustees have supported this concept of an operating principle. The Legislative Study Commission co-chaired by Senator Robert Wynne and Representative Jack Pugh is investigating the idea. We recommend that the Board of Governors join with the Association in support of this concept before the Wynne-Pugh Committee. Together we can forge a positive legislative program for North Carolina students attending both the public and private colleges and universities, and can work together for the support of our mutual goals.

The private colleges and universities of North Carolina, through the Association, the Council of Trustees and their officers and staff, are prepared to comment on these proposals as appropriate. We are certain, and we believe the Board is convinced, that a strong federation of colleges and universities -- both public and private -- is necessary if we are to provide access and freedom of choice to North Carolina's young people. Working together we can meet the growing needs of the State for higher education, using the resources of both sectors most efficiently and effectively. Our students and the taxpayers deserve nothing less, and we look forward to joining with

you in meeting the challenges and opportunities ahead.

A handwritten signature in dark ink, appearing to read "Terry Sanford". The signature is fluid and cursive, with a large, sweeping initial "T".

Terry Sanford  
Chairman of the Board

A handwritten signature in dark ink, appearing to read "James Olliver". The signature is cursive, with a large, looping initial "J".

James Olliver  
Acting Executive Director

THE UNIVERSITY OF NORTH CAROLINA  
*Board of Governors*

MEMORANDUM

To: The Honorable James B. Hunt, Jr., Governor of North Carolina  
The Members of the Advisory Budget Commission  
The President and Members of the Senate  
The Speaker and Members of the House of Representatives

From: Board of Governors of The University of North Carolina

Date: November 10, 1978

Subject: Recommendations with respect to requests by private institutions  
of higher education for State assistance

The General Statutes of North Carolina, § 116-11(11), provides in part that

All requests by private institutions of higher education for State assistance to the institutions or to students attending them shall be submitted first to the Board [of Governors] for review and recommendation before being presented to any other State agency or to the General Assembly.

This function of the Board is in addition to and distinct from our statutory duty under G.S. 116-11(9)(a) to "prepare and present . . . a single, unified recommended budget for all of public senior higher education."

We have received a letter dated September 27, 1978, and signed by Chairman Terry Sanford of the Board of Directors of the North Carolina Association of Independent Colleges and Universities, presenting a "request on behalf, and for the support of, North Carolina residents attending private colleges and universities in North Carolina as defined by G.S. 116-22." We deem this to be a "request by private institutions of higher education for State assistance," made through their Association, and we respond accordingly.

This request has two parts. One is for specific increases in the amounts to be appropriated for aid to North Carolina students attending accredited private colleges and universities in this State. The other is for legislative adoption of a "principle" or standing mode of calculating the sums to be appropriated for this purpose in the future that would make the amounts of such appropriations a fixed ratio of appropriations made to operate the institutions of The University of North Carolina. We shall comment on these requests in that order.

I. Request for Appropriation Increases

The General Assembly of 1971 enacted G.S. 116-19 et seq., establishing a program of aid to North Carolina resident undergraduates who attend accredited, in-state private colleges and universities and who have financial need. Initially funded in 1972-73 at \$27 for every full-time equivalent (FTE) North Carolina resident undergraduate, the per capita appropriation rose to \$200 in 1973-74 and has remained at that level ever since. Each institution is allocated \$200 for every full-time equivalent North Carolina resident undergraduate it enrolls, irrespective of any student's financial need; within the institution, the funds so obtained are distributed only to needy North Carolina undergraduates, the amount of each grant depending on the need shown by each benefitting student. This is called the "contract program."

In 1975, the General Assembly added a second program of aid to North Carolina resident undergraduates who attend accredited, in-state private colleges and universities as full-time (not FTE) students, the aid to be allocated to students without respect to their need. Initially funded at \$200 per student in 1975-76, that program grew to \$300 per student in 1977-78

and \$400 per student in 1978-79. This is called the "Legislative Tuition Grant program."

Thus today, the General Assembly appropriates under the two programs a total of \$600 on account of each North Carolina resident undergraduate in the 38 accredited private junior and senior colleges and universities in the State for a total cost of \$13,800,000 for 1978-79. This record of appropriation growth over seven years is evidence of great generosity on the part of the General Assembly toward the private sector.

The pending request of the Association would increase the per student grant under the Legislative Tuition Grant (or no-need) program by \$100 for 1979-80 and by an additional \$100 for 1980-81, taking the State's contribution on account of every student under that program to \$600, plus the \$200 under the older, student need-based program, or a total of \$800 per student per year. The Association's cost projections anticipate enrollments of qualifying students at 24,500 FTE in 1979-80 and 25,000 FTE in 1980-81 and somewhat smaller numbers of full-time students for those years.

The Association has presented in its letter to us contentions and arguments but no evidence as to the nature and extent of the need of their students for additional financial aid at State expense. It speaks of inflation, of which we are all well aware; but we note that our constituent institutions (and students) are given no automatic increases in State appropriations to offset inflation. (For example, tuition charges in the constituent institutions were increased by about ten per cent in 1977-78 on legislative initiative, without a corresponding increase in State-provided student assistance funds to offset the effect of that increase on the 55,000 students in The University who have established financial need and are receiving some form of aid.) The request assumes, moreover, that the

needs of all students are the same in all private institutions, and that the needs of all private institutions are the same, and proposes to continue and increase the Legislative Tuition Grant program, which does not take account of the sizable differences in costs of attending various private institutions. (No request has been made for the enlargement of the student need-based program since 1973.)

The Association states that the percentage of all college-going North Carolina residents who enter private institutions has declined in recent years. That is true. The number of people going to college has increased enormously over the last three decades, while the capacity of the private institutions has not grown proportionately. The growing educational needs of our citizens have been necessarily and properly met by the State through its own institutions. As a result, a smaller percentage of all those attending college is found in the private institutions than was true ten or twenty years ago. Yet the absolute number of North Carolina resident undergraduates in private institutions in this State has remained virtually stable in the years (1968-69 to 1975-76) cited by the Association. Awareness of this distinction between the percentage and the number of students in private institutions is vital to an understanding of what has -- or has not -- happened to enrollments in private institutions.

It is stated in the Association's letter that the share of North Carolina resident undergraduates going to private institutions has now stabilized at 22 per cent and that the absolute number has grown moderately, both concurrent with -- and impliedly because of -- the State's programs of assistance to those students. While the connection between the State aid programs and student enrollments is necessarily a matter of surmise, we assume that some positive result is coming from the expenditure of

\$13,800,000 a year in State funds. It does not convincingly follow, however, that the General Assembly should appropriate an additional \$2,600,000 for 1979-80 and \$5,300,000 for 1980-81 to enlarge these programs by nearly 40 per cent in total cost. We are not informed, for example, of the number of students who would be served by these institutions only if the tuition grant program is increased. Nor are we advised of any sudden change in the financial circumstances of any of the 38 private institutions that would justify the requested 40 per cent increase in State appropriations for these programs.

For these reasons, we decline to recommend favorable action on this request for increases in the appropriations for students attending the private institutions of higher education in 1979-81.

II. Request for Policy of Aid to Private Sector as a Ratio of Appropriations to The University of North Carolina

The Association asks that the General Assembly adopt a standing policy or "principle" of appropriating on behalf of each North Carolina resident undergraduate attending an accredited private college or university in the State "up to one half of the average per capita cost to the State for each FTE undergraduate enrolled at The University of North Carolina . . . ." This is offered "as a permanent solution" to the question of the amount to be appropriated by the General Assembly for this purpose from time to time.

While convenient for the purposes of calculation, an approach that simply fixes the appropriation to the private sector at a stated percentage of the appropriation made to the public senior institutions (following a detailed review by the General Assembly of the purposes for which the

funds would be used by the public institutions) is not related to the needs of the benefitting private institutions and their students. Although offered as a "permanent solution," that policy is not invested with any characteristic that would bind those benefitting from it to seek no change in it in future years.

The proposal of this policy admits that the programs of aid to students in the private institutions, especially the tuition grant program (which involves no student need factor) that the Association is seeking to have increased, have no demonstrable relation to institutional or individual need. The Association would simply set aside that issue and preclude any procedure whereby annually or biennially, legislative questions would be put to its spokesmen to justify their needs. It would do so by a device that would inflexibly tie the private sector's benefits to the legislatively-examined and determined needs of the public sector. We believe, however, that the merits of the claims of the private sector should receive the kind of legislative scrutiny properly borne by all other sizable appropriation requests.

For these reasons, we decline to ask the General Assembly to endorse the policy proposed by the Association.





